ELITE COMMERCIAL REIT

(a real estate investment trust constituted on 7 June 2018
under the laws of the Republic of Singapore)
(Managed by Elite Commercial REIT Management Pte. Ltd.)

ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2024
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Elite Commercial REIT Management Pte. Ltd., as manager of Elite Commercial Real Estate Investment Trust ("**Elite REIT**", and the manager of Elite REIT, the "**Manager**") would like to thank all unitholders of Elite Commercial REIT ("**Unitholders**") who have submitted their questions in advance of our Annual General Meeting ("**AGM**") to be convened and held in a wholly physical format on **Monday, 29 April 2024 at 4.00 p.m. (Singapore time)**.

Please refer to Appendix 1 hereto for the list of substantial and relevant questions, and the Manager's responses to these questions.

BY ORDER OF THE BOARD

ELITE COMMERCIAL REIT MANAGEMENT PTE. LTD.
(as manager of Elite Commercial REIT)
(Company Registration No. 201925309R)

Liaw Liang Huat Joshua
Chief Executive Officer
23 April 2024

Appendix 1: Responses to substantial and relevant questions

Expansion of Investment Strategy

Questions	Responses
The REIT announced recently that it is expanding its investment mandate to include other assets like purpose-built student accommodation ("**PBSA**") assets. Would the REIT be seeking unitholders' approval to expand its investment mandate?	The Trust Deed of the REIT and listing regulations do not require unitholders' approval if the REIT has been listed for more than three years. Elite REIT has been listed for more than three years.
To enter the PBSA market, would the REIT be acquiring PBSA from its Sponsor(s)? Or would it be converting existing properties to PBSA? If so, which properties have the REIT identified for conversion into PBSA?	The Manager is currently looking at more immediate opportunities which are organic in nature, involving asset repositioning and potential change of use. Several of our vacant properties present themselves as potential PBSA opportunities such as Lindsay House, Dundee, which is well-located within a city with a large student population.

Financials

Questions	Responses
The Distribution per Unit ("**DPU**") of the REIT has been steadily declining and dropped to a new low of 3.42 pence. (FY2023 3.42p, FY2022 4.81p, FY2021 5.43p) When will the DPU reverse its downward trend and recover?	The DPU and distributable income of the REIT has been impacted by the increase in finance cost. As such, the Management expects DPU to improve once interest rates reduce. The Manager is implementing strategies to deliver sustainable returns to unitholders.
The net asset value ("**NAV**") of the REIT has been steadily declining and dropped to a new low of 43 pence. When will the NAV reverse its downward trend and recover?	Elite REIT's portfolio value is based on income capitalisation method, hence the key driver of market value for Elite REIT's portfolio lies with the capitalisation rate, which is in turn largely driven by factors such as the interest rate, supply/demand situation and macroeconomic outlook.
From page 27 of AR, it is stated that "A £125.0 million debt facility was scheduled to mature in November 2024. Demonstrating proactive debt management, the Manager proactively obtained committed offer from financial institutions for £135 million of credit facilities in March 2024." Can you please illustrate and provide the updated debt maturity profile?	More details on the updated debt maturity profile will be provided in the upcoming 1Q 2024 business updates on 3 May 2024.
When does the £76 million debt in 2025 mature? What is the current progress of the refinancing?	The loan in question is expected to mature in 1H 2025. We have commenced discussions with financial institutions on the refinancing of this loan due in 2025.

Asset Management

Questions	Responses
The lease expiry profile chart indicates that close to 100% of the lease is expiring in 2028. Why is the lease structured in such a concentrated manner?	In the UK office sector, the lease terms are fixed and are typically for five to ten years. Rents are reviewed typically every five years, with reviews being more frequent for shorter leases. Commercial leases typically impose upward only rent reviews, which allow for rents to be increased, but never decreased. Elite REIT was listed on the Singapore Exchange ("**SGX**") on 6 February 2020. At that time, the majority of its initial portfolio of 97 assets had leases expiring in March 2028. Subsequently, in March 2021, Elite REIT acquired a portfolio of 58 assets, providing some diversification in lease expiry. In FY2022, the Manager successfully removed the lease break option from a majority of the leases, resulting in straight leases to March 2028, providing lease stability and income visibility for Elite REIT. The Manager is cognisant of the concentration of lease expiries in 2028, and while the lease event is about four years away, the Manager is proactive in engaging tenants and/or occupiers by starting discussions early – work has already commenced on this topic; we are not only working towards extending and renewing the leases beyond 2028, but also towards achieving more diversified lease terms, as well.
The following assets were originally purchased at higher amounts compared with their latest valuation. What were the factors that cause the valuation decline? ▪ Hilden House, Warrington ▪ Atlas Road, Glasgow ▪ Glasgow Benefits Centre ▪ Ladywell House, Edinburgh ▪ Lindsay House, Dundee ▪ Sidlaw House, Dundee ▪ Victoria Road, Kirkcaldy ▪ Broadlands House, Newport ▪ Crown House, Worthing ▪ Nutwood House, Canterbury ▪ St Paul's House, Chippenham ▪ Lothersdale House, Wellingborough ▪ The Forum, Stevenage ▪ Blackburn House, Norwich ▪ Crown Buildings, Caerphilly	Elite REIT's portfolio value is based on income capitalisation method, hence the key driver of market value for Elite REIT's portfolio lies with the capitalisation rate, which is in turn largely driven by factors such as the interest rate, supply/demand situation and macroeconomic outlook. With the passing of time, the portfolio value would also adjust accordingly based on the income-producing ability of the respective assets.
Several properties had valuation movements between the valuation as at 1 December 2023 and 31 December 2023. Please provide the reasons that led to the changes.	The portfolio value as at 1 December 2023 was announced in anticipation of the preferential offering. Due to the short timeline to produce the valuation, independent professional valuer, CBRE Limited ("**CBRE**"), had provided the valuation

	report schedule pending the accompanying appendices on the individual properties. For the year-end valuation, CBRE provided a reliance letter stating that the aggregate value of the properties was unchanged as at 31 December 2023. However, CBRE decided to adjust the individual values of the properties, with the aggregate portfolio value remaining unchanged.
Many of the biggest reductions in property value have occurred for properties which have been vacated. Does this indicate that the occupancy rate could have an undue bearing on the valuation of each property?	Elite REIT’s portfolio valuation is based on income capitalisation method, hence the key driver of market value for Elite REIT’s portfolio lies with the capitalisation rate, which is in turn largely driven by factors such as the interest rate, supply/demand situation and macroeconomic outlook.
There are only six properties listed in the Annual Report as being entirely vacant. Please provide updates on these six properties regarding the asset management strategy. The properties are: ▪ Hilden House, Warrington ▪ Ladywell House, Edinburgh ▪ Lindsay House, Dundee ▪ Sidlaw House, Dundee ▪ St Paul’s House, Chippenham ▪ Crown Buildings, Caerphilly	As of 31 December 2023, Ladywell House, Edinburgh has an occupancy rate of 12%. The Manager will capitalise on the opportunity to further strengthen Elite REIT's portfolio. Assets that are vacant or selectively earmarked may be re-let for other uses, or repositioned or disposed with capital recycled back into the balance sheet. The focus will be on diversification, unlocking the highest value and increasing the portfolio base. We consider market dynamics at the location of each vacant asset and consult with local agents when it comes to value in alternative uses. For example, Dundee is a university town and it is significantly undersupplied in terms of student housing. Hence, there is potential for Lindsay House, Dundee to be converted into a PBSA. The other vacant properties namely Hilden House, Warrington; St Paul’s House, Chippenham; Victoria Road, Kirkcaldy; Ladywell House, Edinburgh and Sidlaw House, Dundee could provide opportunities for re-letting, either as an office or repositioned for other uses. On 15 April 2024, the Manager announced the expansion of Elite REIT’s investment strategy to encompass other asset classes within the UK. Elite REIT will continue to focus on the social infrastructure asset sector, including its existing portfolio of Jobcentre Plus, as well as government infrastructure and workspaces, whilst broadening its focus to other asset sectors in the UK, such as the Living Sector, which includes the PBSA and Build-to-Rent asset classes. The diversification of portfolio and increased opportunities achieved through the expansion of investment strategy would allow the Manager to position Elite REIT for growth, capitalise on emerging market trends and sectors exhibiting strong growth potential, diversify portfolio in terms of income stream, asset classes and tenancy, as well as increase institutional investor appeal. One of Elite REIT’s Sponsors, Sunway RE Capital Pte. Ltd. (“**Sunway**”), has been active in the PBSA sector in the UK. Elite REIT will tap into Sunway’s expertise and network as it ventures into this new sector.

Corporate Governance

Questions	Responses
The Company has a larger than usual number of directors/alternate directors for an enterprise of this nature. Can the Manager comment on any plans to streamline the size of the Board in the interests of improving decision-making effectiveness?	The Manager currently has a nine-member Board of Directors, with a majority or 56% of the Board comprising independent directors. Every Board member brings with him or her a unique set of experiences, background, knowledge, insights and skillsets in a diversity of sectors and industry, which provides a diversity of views when it comes to decision-making. Currently, the Board and its Board Committees comprise Directors with an appropriate balance and diversity of skills and expertise. The Directors have diverse backgrounds in audit and accounting, business advisory, corporate finance, corporate governance, investment and fund management, construction, real estate and property development, management consulting and commercial litigation. The diversity of skills and expertise enrich the discussions and deliberations of the Board as the members bring their broad range of views, perspectives and breadth of experience to the table. Therefore, the Directors are well-equipped to engage in open and constructive debate, and regularly challenge the Management on its assumptions and proposals. This facilitates the effective oversight of the Management. You may refer to the table of Director Experience / Skills Matrix on page 130 of the 2023 Annual Report. When considering new directors for appointment to the Board, candidates who have relevant skills, expertise and/or experience which would complement those already on the Board would be prioritised. The Board continues to seek to introduce greater diversity as it progressively reviews the composition of the Board and its Board Committees. As of 31 December 2023, the Board was of the view that the size of the Board and the Board Committees, the skills and expertise of Directors, age and nationality diversity are appropriate for the needs and demands of the Manager and Elite REIT's operations. To ensure alignment with Unitholders, Directors' fees are paid by the Manager, and not by the Unitholders. The management fee that is payable to the Manager is based on Elite REIT's annual distributable income, which is very much aligned with the interests of Unitholders.

IMPORTANT NOTICE

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for units in Elite Commercial REIT ("**Units**") in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Elite Commercial REIT, the Manager or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The Unitholders have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.